GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4221
ANSWERED ON:18.08.2000
PERMISSION FOR AGRICULTURE SUBSIDY
CHINTAMAN NAVSHA WANAGA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the World Trade Organisation has been requested by the Government to allow developing countries to continue agriculture subsidies;

(b) if so, the details thereof;

(c) whether W.T.O has responded to the requests; and

(d) if so, the details thereof and if not, the reasons therefor ?

Answer

MINISTER FOR COMMERCE AND INDUSTRY(SHRI MURASOLI MARAN)

(a) to (d) : Under the Agreement on Agriculture in WTO developing countries are permitted to provide product specific domestic support and non-product specific domestic support subject to the Aggregate Measurement of Support of these supports not exceeding 10% of the total value of production of basic agricultural products and 10% of the total value of total agricultural production respectively.

Though India is opposed to the use of trade distorting subsidies by the developed countries, which have a negative effect on trade, particularly for agricultural exports from developing countries, India has also been emphasising the need to provide a certain degree of flexibility to developing countries especially to large agrarian economies like India, in providing subsidies or domestic support to take care of their food security, poverty alleviation and rural employment concerns.

During, the on-going mandated negotiations on the Agreement on Agriculture, it is proposed to press for this demand.